

Form <b>1120</b> Department of the Treasury Internal Revenue Service		U.S. Corporation Income Tax Return				OMB No. 1545-0123							
		For calendar year 2005 or tax year beginning _____, 2005, ending _____, 20____ ▶ See separate instructions.				2005							
<b>A</b> Check if:  1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch. M-3) <input type="checkbox"/>		<b>Use IRS label. Otherwise, print or type.</b> Name <b>BANANA GAP RETAILERS</b> Number, street, and room or suite no. If a P.O. box, see instructions. <b>253 BLUE MONKEY BOULEVARD</b> City or town, state, and ZIP code <b>TYRINGHAM MA 01264</b>				<b>B</b> Employer identification number <b>40-2222226</b> <b>C</b> Date incorporated <b>09-01-2000</b> <b>D</b> Total assets (see instructions) \$ <b>13,095,163</b>							
<b>E</b> Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change													
Income	1a	Gross receipts or sales			<b>76,074,848</b>	b	Less returns and allowances		c	Bal ▶	1c	<b>76,074,848</b>	
	2	Cost of goods sold (Schedule A, line 8)										2	<b>43,366,403</b>
	3	Gross profit. Subtract line 2 from line 1c										3	<b>32,708,445</b>
	4	Dividends (Schedule C, line 19)										4	
	5	Interest										5	
	6	Gross rents										6	
	7	Gross royalties										7	
	8	Capital gain net income (attach Schedule D (Form 1120))										8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)										9	
	10	Other income (see instructions - attach schedule)										10	
	11	Total income. Add lines 3 through 10										11	<b>32,708,445</b>
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)										12	<b>500,000</b>
	13	Salaries and wages (less employment credits)										13	<b>7,694,617</b>
	14	Repairs and maintenance										14	<b>21,751</b>
	15	Bad debts										15	
	16	Rents										16	<b>3,750,000</b>
	17	Taxes and licenses										17	<b>133,869</b>
	18	Interest										18	<b>1,000,614</b>
	19	Charitable contributions (see instructions for 10% limitation) STATEMENT # 2										19	<b>31,250</b>
	20a	Depreciation (attach Form 4562)			20a	<b>69,601</b>			20c				
	b	Less depreciation claimed on Schedule A and elsewhere on return			20b				20c	<b>69,601</b>			
	21	Depletion										21	
	22	Advertising										22	<b>181,250</b>
	23	Pension, profit-sharing, etc., plans										23	
	24	Employee benefit programs										24	
	25	Domestic production activities deduction (attach Form 8903)										25	
	26	Other deductions (attach schedule) STATEMENT # 3										26	<b>16,793,788</b>
	27	Total deductions. Add lines 12 through 26										27	<b>30,176,740</b>
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11										28	<b>2,531,705</b>	
29	Less: a Net operating loss deduction (see instructions)			29a				29c					
	b Special deductions (Schedule C, line 20)			29b				29c					
Tax and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions if Schedule C, line 12, was completed)										30	<b>2,531,705</b>
	31	Total tax (Schedule J, line 11)										31	<b>860,780</b>
	32	Payments: a 2004 overpayment credited to 2005			32a								
	b	2005 estimated tax payments			32b								
	c	Less 2005 refund applied for on Form 4466			32c								
	d	Bal ▶			32d								
	e	Tax deposited with Form 7004			32e								
	f	Credits: (1) Form 2439 (2) Form 4136			32f				32g				
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached										33	
	34	Tax due. If line 32g is smaller than the total of lines 31 and 33, enter amount owed										34	<b>860,780</b>
35	Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid										35		
36	Enter amount of line 35 you want: Credited to 2006 estimated tax Refunded										36		
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.												
	Signature of officer			Date			PRESIDENT			Title			
Paid Preparer's Use Only	Preparer's signature			Date			Check if self-employed		Preparer's SSN or PTIN				
	Firm's name (or yours if self-employed), address, and ZIP code						EIN						
							Phone no.						
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.													
EEA Form 1120 (2005)													

<b>Schedule A</b>		<b>Cost of Goods Sold</b> (see instructions)	
1	Inventory at beginning of year	1	22,500
2	Purchases	2	21,001,402
3	Cost of labor	3	14,986,350
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) STATEMENT # 5	5	7,580,900
6	<b>Total.</b> Add lines 1 through 5	6	43,591,152
7	Inventory at end of year	7	224,749
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	43,366,403
9a Check all methods used for valuing closing inventory:			
(i) <input checked="" type="checkbox"/> Cost			
(ii) <input type="checkbox"/> Lower of cost or market			
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.)			
b Check if there was a writedown of subnormal goods <input type="checkbox"/>			
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) <input type="checkbox"/>			
d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d			
e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

<b>Schedule C</b>		<b>Dividends and Special Deductions</b> (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)				70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)				80	
3	Dividends on debt-financed stock of domestic and foreign corporations				see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities				42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities				48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs				70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs				80	
8	Dividends from wholly owned foreign subsidiaries				100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation					
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958				100	
11	Dividends from affiliated group members and certain FSCs				100	
12	Dividends from controlled foreign corporations (attach Form 8895)				85	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12					
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)					
15	Foreign dividend gross-up					
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3					
17	Other dividends					
18	Deduction for dividends paid on certain preferred stock of public utilities					
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4					
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b					

<b>Schedule E</b>		<b>Compensation of Officers</b> (see instructions for page 1, line 12)			
<b>Note:</b> Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.					
(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1SHELDON SHAREHOLDER	400-65-0000	100 %	100 %	%	500,000
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				500,000
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				500,000

**Schedule J Tax Computation** (see instructions)

1	Check if the corporation is a member of a controlled group . . . . .	<input type="checkbox"/>	
<b>Important:</b> Members of a controlled group, see instructions.			
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
	(1) \$	(2) \$	(3) \$
b	Enter the corporation's share of:		
	(1) Additional 5% tax (not more than \$11,750)	\$	
	(2) Additional 3% tax (not more than \$100,000)	\$	
3	Income tax. Check if a qualified personal service corporation (see instructions) . . . . .	<input type="checkbox"/>	3 860,780
4	Alternative minimum tax (attach Form 4626) . . . . .		4
5	Add lines 3 and 4 . . . . .		5 860,780
6a	Foreign tax credit (attach Form 1118) . . . . .	6a	
b	Possessions tax credit (attach Form 5735) . . . . .	6b	
c	Credits from: <input type="checkbox"/> Form 8834 <input type="checkbox"/> Form 8907, line 23 . . . . .	6c	
d	General business credit. Check box(es) and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶	6d	
e	Credit for prior year minimum tax (attach Form 8827) . . . . .	6e	
f	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 . . . . .	6f	
7	<b>Total credits.</b> Add lines 6a through 6f . . . . .	7	
8	Subtract line 7 from line 5 . . . . .	8	860,780
9	Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .	9	
10	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule) . . .	10	
11	<b>Total tax.</b> Add lines 8 through 10. Enter here and on page 1, line 31 . . . . .	11	860,780

**Schedule K Other Information** (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No	7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? . . . . .	Yes	No
2	See the instructions and enter the:				If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶		
a	Business activity code no. ▶ 448120						
b	Business activity ▶ RETAIL SALES						
c	Product or service ▶ CLOTHING						
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) . . . . .		X	c	The corporation may have to file <b>Form 5472</b> , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			8	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . ▶ <input type="checkbox"/>		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . .		X		If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
	If "Yes," enter name and EIN of the parent corporation ▶ KETTERINGS CREATIVE 40-2222225			9	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) . . . . . ATT-02X		X	10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 100			11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ <input type="checkbox"/>		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .		X		If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
	If "Yes," file <b>Form 5452</b> , Corporate Report of Nondividend Distributions.			12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$		
	If this is a consolidated return, answer here for the parent corporation and on <b>Form 851</b> , Affiliations Schedule, for each subsidiary.			13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? . . . . .		X
					If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

**Note:** The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash . . . . .					2,121,836	
2a	Trade notes and accounts receivable . . . . .	1,746,054		2,194,146			
b	Less allowance for bad debts . . . . .	( )	1,746,054	( )		2,194,146	
3	Inventories . . . . .		22,500			224,749	
4	U.S. government obligations . . . . .						
5	Tax-exempt securities (see instructions) . . . . .						
6	Other current assets (attach schedule) . . . . .		635,956			651,205	
7	Loans to shareholders . . . . .						
8	Mortgage and real estate loans . . . . .						
9	Other investments (attach schedule) . . . . .					133,444	
10a	Buildings and other depreciable assets . . . . .	5,540,507		6,188,334			
b	Less accumulated depreciation . . . . .	( 1,092,673 )	4,447,834	( 1,162,274 )		5,026,060	
11a	Depletable assets . . . . .						
b	Less accumulated depletion . . . . .	( )		( )			
12	Land (net of any amortization) . . . . .		2,654,150			2,654,150	
13a	Intangible assets (amortizable only) . . . . .						
b	Less accumulated amortization . . . . .	( )		( )			
14	Other assets (attach schedule) . . . . .		16,719			89,573	
15	Total assets . . . . .		9,523,213			13,095,163	
Liabilities and Shareholders' Equity							
16	Accounts payable . . . . .		264,625			1,301,619	
17	Mortgages, notes, bonds payable in less than 1 year . . . . .		106,500			206,500	
18	Other current liabilities (attach schedule) . . . . .		44,413			119,613	
19	Loans from shareholders . . . . .		6,250			17,500	
20	Mortgages, notes, bonds payable in 1 year or more . . . . .		250,000			871,636	
21	Other liabilities (attach schedule) . . . . .		2,380			58,325	
22	Capital stock: a Preferred stock . . . . .						
	b Common stock . . . . .	1,496,250	1,496,250	1,496,250		1,496,250	
23	Additional paid-in capital . . . . .		3,178,750			3,178,750	
24	Retained earnings-Appropriated (attach schedule) . . . . .						
25	Retained earnings-Unappropriated . . . . .		4,305,295			5,976,220	
26	Adjustments to shareholder's equity (attach schedule) . . . . .						
27	Less cost of treasury stock . . . . .		( 131,250 )			( 131,250 )	
28	Total liabilities and stockholders' equity . . . . .		9,523,213			13,095,163	

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return		(see instructions)	
1	Net income (loss) per books . . . . .	1,670,925	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books . . . . .	860,780		Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains . . . . .			_____	
4	Income subject to tax not recorded on books this year (itemize): _____			_____	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation . . . . . \$ _____		a	Depreciation . . . . . \$ _____	
b	Charitable contributions \$ _____		b	Charitable contributions \$ _____	
c	Travel and entertainment \$ _____			_____	
	_____			_____	
6	Add lines 1 through 5 . . . . .	2,531,705	9	Add lines 7 and 8 . . . . .	
			10	Income (page 1, line 28)-line 6 less line 9	2,531,705

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1	Balance at beginning of year . . . . .	4,305,295	5	Distributions: a Cash . . . . .	
2	Net income (loss) per books . . . . .	1,670,925		b Stock . . . . .	
3	Other increases (itemize): _____			c Property . . . . .	
	_____		6	Other decreases (itemize): _____	
	_____		7	Add lines 5 and 6 . . . . .	
4	Add lines 1, 2, and 3 . . . . .	5,976,220	8	Balance at end of year (line 4 less line 7)	5,976,220

2005 Form 355C MA0535211024  
Combined Corporation Excise Return

Year beginning 01012005 Ending 12312005

BANANA GAP RETAILERS 40-222226  
253 BLUE MONKEY BOULEVAR TYRINGHAM MA 01264

1. Is the corporation incorporated within Massachusetts? ☒ Yes No
2. Type of corporation ☐ Section 38 manufacturer ☐ Mutual fund service
3. Type of corporation ☐ R&D ☐ Classified manufacturing ☐ RIC
4. Is the corporation filing a U.S. consolidated return? ☒ Yes No
5. Does the corporation have a new Massachusetts address? ☒ Yes No
6. Is the corporation an insurance mutual fund holding corporation? ☐ Yes ☒ No
7. Is the corporation requesting alternate apportionment? ☐ Yes ☒ No
8. Is this a final Massachusetts return? ☐ Yes ☒ No
9. Principal business code ☐ 9
10. FID of Massachusetts principal reporting corporation ☐ 10
11. Average number of employees in Massachusetts ☐ 11
12. Average number of employees world wide ☐ 12
13. Date of charter or first date of business in Massachusetts ☐ 13
14. Last year audited by IRS ☐ 14
15. Have adjustments been reported to Massachusetts? ☐ Yes ☒ No
16. Is the corporation deducting intangible or interest expenses paid to a related entity? ☐ Yes ☒ No

448120  
40-222225  
440  
5411  
09012000

Excise Calculation

1. Taxable Massachusetts tangible property, if applicable ☐ 521293 x .0026 = ☐ 1 1355
2. Taxable net worth, if applicable ☐ x .0026 = ☐ 2
3. Principal reporting corporation only ☐ x .095 = ☐ 3

**SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.**

Signature of appropriate officer Date Print paid preparer's name Paid preparer's SSN or PTIN

06222006

Title Paid preparer's phone Paid preparer's EIN

COO

Are you signing as an authorized delegate  
of the appropriate officer of the corporation?  
(see instructions) Yes No

Paid preparer's signature

Date

Check if self-employed

PRIVACY ACT NOTICE AVAILABLE UPON REQUEST

01-26-2006 19:20:05

**2005 Form 355C, pg. 2****MA0535221024**

Combined Corporation Excise Return

**40-2222226**

<b>4.</b>	Credit recapture	▶	<b>4</b>	
<b>5.</b>	Excise before credits		<b>5</b>	<b>1355</b>
<b>6.</b>	Economic Opportunity Area Credit		▶ <b>6</b>	
<b>7.</b>	3% credit for certain new or expanded investments		▶ <b>7</b>	
<b>8.</b>	Vanpool Credit		▶ <b>8</b>	
<b>9.</b>	Credit carryover		▶ <b>9</b>	
<b>10.</b>	Research Credit		▶ <b>10</b>	
<b>11.</b>	Harbor Maintenance Tax Credit		▶ <b>11</b>	
<b>12.</b>	Full Employment Credit		▶ <b>12</b>	<b>899</b>
<b>13.</b>	Brownfields Credit		▶ <b>13</b>	
<b>14.</b>	Low-Income Housing Credit		▶ <b>14</b>	
<b>15.</b>	Historic Rehabilitation Credit		▶ <b>15</b>	
<b>16.</b>	Home Energy Efficiency Credit ▶	b. Solar Heat Credit ▶	<b>a + b = 16</b>	
<b>17.</b>	Total credits		▶ <b>17</b>	<b>899</b>
<b>18.</b>	Excise after credits		<b>18</b>	<b>456</b>
<b>19.</b>	Minimum excise		<b>19</b>	<b>456</b>
<b>20.</b>	Excise due before voluntary contribution		<b>20</b>	<b>456</b>
<b>21.</b>	Voluntary contribution for endangered wildlife conservation		▶ <b>21</b>	
<b>22.</b>	Excise due plus voluntary contribution		▶ <b>22</b>	<b>456</b>
<b>23.</b>	2004 overpayment applied to your 2005 estimated tax		▶ <b>23</b>	<b>456</b>
<b>24.</b>	2005 Massachusetts estimated tax payments		▶ <b>24</b>	
<b>25.</b>	Payment made with extension		▶ <b>25</b>	
<b>26.</b>	Amount overpaid		<b>26</b>	
<b>27.</b>	Amount overpaid to be credited to 2006 estimated tax		▶ <b>27</b>	
<b>28.</b>	Amount overpaid to be refunded		▶ <b>28</b>	
<b>29.</b>	Balance due		▶ <b>29</b>	
<b>30.</b>	a. M-2220 penalty ▶	b. Late file/pay penalties ▶	<b>a + b = 30</b>	
<b>31.</b>	Interest on unpaid balance		▶ <b>31</b>	
<b>32.</b>	Total payment due at time of filing		▶ <b>32</b>	

**2005 Schedule A**      **MA0506011024**  
Balance Sheet

**BANANA GAP RETAILERS**

**40-222226**

**Tangible Assets**

		A. Original cost		B. Accumulated depreciation and amortization		C. Net book value
<b>1.</b>	Capital assets in Massachusetts:					
	a. Buildings	▶ 1a	1249541	▶	699743	549798
	b. Land	▶ 1b	461250			461250
	c. Motor vehicles and trailers	▶ 1c	346444	▶	210367	136077
	d. Machinery taxed locally	▶ 1d	21250	▶	6250	15000
	e. Machinery not taxed locally	▶ 1e	136468	▶	10420	126048
	f. Equipment	▶ 1f	21789	▶	4358	17431
	g. Fixtures	1g	31867		9105	22762
	h. Leasehold improvements taxed locally	▶ 1h	19458	▶	6227	13231
	i. Leasehold improvements not taxed locally	1i	94125		12550	81575
	j. Other fixed depreciable assets	1j	6250		2000	4250
	k. Construction in progress	1k	196882			196882
	l. Total capital assets in Massachusetts	▶ 1l				1624304
<b>2.</b>	Inventories in Massachusetts:					
	a. General merchandise	2a				69121
	b. Exempt goods	▶ 2b				9458
<b>3.</b>	Supplies and other non-depreciable assets in Mass.	3				3224
<b>4.</b>	Total tangible assets in Massachusetts	▶ 4				1706107
<b>5.</b>	Capital assets outside of Massachusetts:					
	a. Buildings and other depreciable assets	5a	3855928		87179	3768749
	b. Land	5b	2192900			2192900
<b>6.</b>	Leaseholds/leasehold improvements outside Mass.	6	208332		114075	94257
<b>7.</b>	Total capital assets outside Massachusetts	▶ 7	6257160	▶	201254	6055906

## 2005 Schedule A, pg. 2

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Business or Manufacturing Corporation Excise Return

40-222226

8.	Inventories outside Massachusetts	8	133282
9.	Supplies and other non-depreciable assets outside Massachusetts	9	9664
10.	Total tangible assets outside of Massachusetts	10	6198852
11.	Total tangible assets. Add lines 4 and 10	11	7904959
12.	Investments:		
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1)	▶ 12a	
	b. Other investments	▶ 12b	133444
13.	Notes receivable	13	651205
14.	Accounts receivable	14	2194146
15.	Intercompany receivables (enclose Schedule A-2)	15	
16.	Cash	16	2121836
17.	Other assets	17	89573
18.	Total assets	▶ 18	13095163

### Liabilities and Capital

19.	Mortgages on:		
	a. Massachusetts tangible property taxed locally	19a	570264
	b. Other tangible assets	19b	182622
20.	Bonds and other funded debt	20	118750
21.	Accounts payable	21	1301619
22.	Intercompany payables (enclose Schedule A-3)	▶ 22	17500
23.	Notes payable	23	206500
24.	Miscellaneous current liabilities	24	119613
25.	Miscellaneous accrued liabilities	25	58325
26.	Total liabilities	▶ 26	2575193
27.	Total capital stock issued	27	1496250
28.	Paid-in or capital surplus	28	3178750
29.	Retained earnings and surplus reserves	29	5756901
30.	Undistributed S corporation net income	30	219319
31.	Total capital	31	10651220
32.	Treasury stock	32	131250
33.	Total liabilities and capital	33	13095163



### Tangible or Intangible Property Corp. Classification

40-222226

## Schedule C. Tangible Property Corporation

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## 2005 Schedule D

MA0506211024

Intangible Property Corporation

40-2222226

1.	Total assets	1
2.	Total liabilities	2
3.	Massachusetts tangible property taxed locally	3
4.	Mortgages on Massachusetts tangible property taxed locally	4
5.	Subtract line 4 from line 3	5
6.	Investments in subsidiaries at least 80% owned	6
7.	Deductions from total assets	7
8.	Allocable net worth	8
9.	Income apportionment percentage	9
10.	Taxable net worth	10

## Schedules E-1. Dividends Deduction

1.	Total dividends	1
2.	Dividends from Massachusetts corporate trusts	2
3.	Dividends from non-wholly-owned DISCs	3
4.	Dividends, if less than 15% of voting stock owned	4
5.	Total taxable dividends	5
6.	Dividends eligible for deduction	6
7.	Dividends deduction	7

**2005 Schedule CD****MA0506311024**

Corporate Disclosure

**40-2222226**

<b>1.</b>	Charitable contributions	▶ 1	<b>31250</b>
<b>2.</b>	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41	▶ 2	
<b>3.</b>	Accelerated depreciation allowed as a federal deduction:		
a.	Equipment	▶ 3a	<b>36440</b>
b.	Rental housing	▶ 3b	
c.	Buildings other than rental housing	▶ 3c	<b>8161</b>
d.	Pollution control facilities	▶ 3d	
<b>4.</b>	Depreciation included in line 3:		
a.	Equipment	▶ 4a	
b.	Rental housing	▶ 4b	
c.	Buildings other than rental housing	▶ 4c	
d.	Pollution control facilities	▶ 4d	
<b>5.</b>	Accelerated depreciation less standard depreciation:		
a.	Equipment	5a	<b>36440</b>
b.	Rental housing	5b	
c.	Buildings other than rental housing	5c	<b>8161</b>
d.	Pollution control facilities	5d	

**2005 Schedule A-3****MA0509511024**

Intercompany Payables

**BANANA GAP RETAILERS****40-222226**

	A. NAME OF SUBSIDIARY	B. FEDERAL IDENTIFICATION NUMBER	C. AMOUNT OF INTERCOMPANY PAYABLES
1.	MONLEY SHINE MANUFAC	40222227	17500
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.	Total intercompany payables	29	17500

**2005 Schedule CG**

MA0506511024

Combined Group Schedule

KETTERINGS CREATIVE CORPORATIONS 40-222225

253 BLUE MONKEY BOULEVAR TYRINGHAM

MA 01264

**Total Tax Due and Payments**

1.	Total excise due	1	246844
2.	Overpayment	2	127089
3.	First quarter estimated tax payments	3	17300
4.	Second quarter estimated tax payments	4	
5.	Third quarter estimated tax payments	5	
6.	Fourth quarter estimated tax payments	6	
7.	Amount paid with extension	7	
8.	Amount paid with return	8	102455
9.	Amount overpaid to be credited to 2006 estimated tax	9	
10.	Amount overpaid to be refunded	10	

**Principal Reporting Corporation**

Fill in if same principal reporting corporation as last year

1.	Total excise due		1	237852
2.	Overpayment	Actual	127089	Allocated 118097
3.	First quarter estimated tax payments	Actual	17300	Allocated 17300
4.	Second quarter estimated tax payments	Actual		Allocated
5.	Third quarter estimated tax payments	Actual		Allocated
6.	Fourth quarter estimated tax payments	Actual		Allocated
7.	Amount paid with extension	Actual		Allocated
8.	Amount paid with return		8	102455
9.	Amount overpaid to be credited to 2006 estimated tax		9	
10.	Amount overpaid to be refunded		10	

## 2005 Schedule CG, pg. 2

MA0506521024

Combined Group Schedule

40-222225

### First Subsidiary Corporation FID

402222226

1.	Total excise due		1	456
2.	Overpayment	Actual	Allocated	456
3.	First quarter estimated tax payments	Actual	Allocated	
4.	Second quarter estimated tax payments	Actual	Allocated	
5.	Third quarter estimated tax payments	Actual	Allocated	
6.	Fourth quarter estimated tax payments	Actual	Allocated	
7.	Amount paid with extension	Actual	Allocated	
8.	Amount paid with return		8	
9.	Amount overpaid to be credited to 2006 estimated tax		9	
10.	Amount overpaid to be refunded		10	

### Second Subsidiary Corporation FID

402222227

1.	Total excise due		1	8536
2.	Overpayment	Actual	Allocated	8536
3.	First quarter estimated tax payments	Actual	Allocated	
4.	Second quarter estimated tax payments	Actual	Allocated	
5.	Third quarter estimated tax payments	Actual	Allocated	
6.	Fourth quarter estimated tax payments	Actual	Allocated	
7.	Amount paid with extension	Actual	Allocated	
8.	Amount paid with return		8	
9.	Amount overpaid to be credited to 2006 estimated tax		9	
10.	Amount overpaid to be refunded		10	

### Third Subsidiary Corporation FID

Fill in if attaching additional page(s) for additional subsidiaries

1.	Total excise due		1	
2.	Overpayment	Actual	Allocated	
3.	First quarter estimated tax payments	Actual	Allocated	
4.	Second quarter estimated tax payments	Actual	Allocated	
5.	Third quarter estimated tax payments	Actual	Allocated	
6.	Fourth quarter estimated tax payments	Actual	Allocated	
7.	Amount paid with extension	Actual	Allocated	
8.	Amount paid with return		8	
9.	Amount overpaid to be credited to 2006 estimated tax		9	
10.	Amount overpaid to be refunded		10	

## 2005 Schedule E-CG

MA05ECG11024

Taxable Income of Combined Filers

BANANA GAP RETAILERS

40-2222226

1.	Gross receipts or sales	▶ 1	76074848
2.	Gross profit	▶ 2	32708445
3.	Other deductions	▶ 3	16793788
4.	Net income	▶ 4	2531705
5.	Allowable U.S. wage credit	▶ 5	
6.	Subtract line 5 from line 4	6	2531705
7.	State and municipal bond interest not included in U.S. net income	▶ 7	
8.	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	▶ 8	43870
9.	Section 168(k) "bonus" depreciation adjustment	▶ 9	
10.	Section(s) 31I and 31K intangible expenses	▶ 10	
11.	Section(s) 31J and 31K interest expenses	▶ 11	
12.	Federal production activity add back	▶ 12	
13.	Other adjustments, including research and development expenses	▶ 13	
14.	Add lines 6 through 13	14	2575575
15.	Abandoned building renovation deduction	x .10 = ▶ 15	
16.	Dividends deduction	▶ 16	
17.	Add back of intangible expenses exception	▶ 17	
18.	Add back of interest expenses exception	▶ 18	
19.	Subtract the total of lines 15 through 18 from line 14	19	2575575
20.	Loss carryover	▶ 20	
21.	Income subject to apportionment	▶ 21	2575575
22.	Income apportionment percentage	▶ 22	0.239843
23.	Multiply line 21 by line 22	23	617734
24.	Income not subject to apportionment	▶ 24	
25.	Certified Massachusetts solar or wind power deduction	▶ 25	
26.	Massachusetts taxable income	26	617734
27.	Income tax for the purpose of determining allowable credits	▶ 27	58480
28.	Non-income measure tax due and credit recapture	28	1355
29.	Total excise due for the purpose of determining allowable credits	29	59835
30.	Total credits used	30	899

MA0506611024

40-222226

Section 38 manufacturer

Mutual fund service corporation reporting sales of mutual funds only

Mutual fund service corporation reporting sales of non-mutual funds

Other

Attaching additional copies of Schedule F

LOCATION	STATE	FACILITY TYPE	ACCT TO REG IN	FEES IN
			ORDERS	STATE

## Apportionment Factors

1.	Tangible property				
	a. Property owned	►Massachusetts	1237462	Worldwide	5733571
	b. Property rented	►Massachusetts	22500000	Worldwide	30000000
	c. Total property owned and rented	Massachusetts	23737462	►Worldwide	35733571
	d. Tangible property apportionment percentage			1d	0.664290
2.	Payroll				
	a. Total payroll	►Massachusetts	4795242	►Worldwide	23180967
	b. Payroll apportionment percentage			2b	0.206861
3.	Sales				
	a. Tangible (destination)	►Massachusetts	3187949		
	b. Tangible (throw back)	►Massachusetts		Worldwide	72271106
	c. Services	►Massachusetts	167787	Worldwide	3803742
	d. Rents and royalties	►Massachusetts		Worldwide	
	e. Other sales factors	►Massachusetts		►Worldwide	
	f. Total sales factors	Massachusetts	3355736	►Worldwide	76074848
	g. Sales apportionment percentage			3f	0.044111
4.	Apportionment percentage			4	0.959373
5.	Massachusetts apportionment percentage			5	0.239843



**Schedule FEC**  
**Full Employment Credit**

**2005**  
**Massachusetts**  
**Department of**  
**Revenue**

Name **BANANA GAP RETAILERS** Federal Identification or Social Security number **40-222226**

**General Information**

1 Type of business for which credit is being claimed (check only one):

- ☐ Sole proprietorship    ☐ Partnership    ☐ S corporation    ☐ Corporate trust    ☐ Financial institution  
☐ Insurance company    ☒ Corporation    ☐ Trust    ☐ Public service corporation  
☐ Corporation included in a combined return (enter name and Federal ID number of principal reporting company):

☐ Other (specify):

2 S Corporations only (check applicable box): (a) ☐ Corporation claiming credit (b) ☐ Shareholders claiming credit

3 Type of return this schedule is filed with: **FORM 355C**

**Computation of the Full Employment Credit.** Use additional paper, if necessary.

4 Name(s) of qualified employee(s) that participate in the Full Employment Program	a. Social Security number(s)	b. Date eligible	c. No. of months of eligible employment (not to exceed 12)	d. Number of months eligible (col. c) during 2005
<b>CLAIRE DOG</b>	<b>400-53-0000</b>	<b>06-12-2001</b>	<b>12</b>	<b>12</b>
5 Total number of months of eligible employment . . . . .			5	<b>12</b>
6 Available current-year Full Employment Credit (FEC). Multiply line 5 by \$100 . . . . .			6	<b>1200</b>

**Taxpayers Subject to Tax Under MGL Ch. 62**

7 Total tax for determining allowable credit. Form 1, line 27; Form 1-NR/PY, line 31; Form 2, line 40; Form 3F, line 24 . . . . .	7	
8 Total of other credits. See instructions . . . . .	8	
9 Subtract line 8 from line 7. Enter result. Not less than "0" . . . . .	9	
10 FEC available this year. Add line 6 and prior years unused FEC (from 2004 Schedule FEC, line 24) . . . . .	10	
11 Credit allowable for use in current year. If line 9 is less than line 10, enter amount from line 9; otherwise, enter amount from line 10. Also enter in Form 1 or Form 1-NR/PY, Schedule Z, line 11; Form 2, line 41; or Form 3F, line 27 . . . . .	11	

**Taxpayers Subject to Tax Under MGL Ch. 63**

12 Total corporate excise. Form 355, Computation of Excise, line 5; Form 355S, Computation of Excise, line 8; or Form 355C, Schedule E-CG, line 29; or Form 355SC, line 7 . . . . .	12	<b>59835</b>
13 Enter the amount from Schedule H, line 28, col. b . . . . .	13	
14 Enter the amount from either Schedule RC, line 26 or Schedule RC-A, line 30 . . . . .	14	
15 Enter the amount from Schedule HM, line 17 . . . . .	15	
16 Enter the amount of Low-Income Housing Credit . . . . .	16	
17 Enter the amount of Historic Rehabilitation Credit . . . . .	17	
18 Enter the total of Home Energy Efficiency Credit and Solar Heat Credit . . . . .	18	
19 Add lines 13 through 18. Enter result . . . . .	19	
20 Subtract line 19 from line 12. Enter result . . . . .	20	<b>59835</b>
21 Minimum corporate excise . . . . .	21	456
22 Maximum allowable FEC. Subtract line 21 from line 20. If "0" or less, you do not qualify for a credit this year, enter "0" in line 23 . . . . .	22	<b>59379</b>
23 FEC available this year. Add line 6 and prior year's unused FEC (from 2004 Schedule FEC, line 24) . . . . .	23	<b>1200</b>
24 Enter the smaller of line 22 or line 23 here and on the Computation of Excise . . . . .	24	<b>1200</b>

**Carryover to Future Years**

25 Complete only if line 10 is more than line 11 or line 22 is more than line 24.

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available	
			Subtract col. b from col. a	
			Amount	For
2001	(2004 Sch. FEC, line 24)			2006
2002	(2004 Sch. FEC, line 24)			2006-2007
2003	(2004 Sch. FEC, line 24)			2006-2008
2004	(2004 Sch. FEC, line 24)			2006-2009
2005	(2005 Sch. FEC, line 6) <b>1200</b>	<b>1200</b>		2006-2010
26 Totals	<b>1200</b>	<b>1200</b>		

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